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TAGS: PREL ECON IR KU

SUBJECT: IRANIAN PARLIAMENT SPEAKER LARIJANI COMPLETES

VISIT TO KUWAIT

REF: A. KUWAIT 52 <u>¶</u>B. 09 KUWAIT 1151

Classified By: Political Counselor Pete O'Donohue for reasons 1.4 b and

- 11. (U) Iranian Parliament Speaker Ali Larijani completed a two-day visit to Kuwait on January 27 at the invitation of Kuwaiti Parliament speaker Jassem Al-Kharafi, who met Larijani on arrival at Kuwait airport. While Kuwait's press provided only a sketchy outline of the meetings, some ink was devoted to reported provocative comments by Larijani, delivered shortly after he touched down on January 26, that Israeli threats to attack Iran are "empty talk. If they dared to carry out attacks against Iran, they would already have done so." Larijani also reportedly dismissed international community threats to boost sanctions against Iran. According to press reports, Speaker Al-Kharafi told the press assembled for Larijani's arrival that the Iranian Speaker's visit implicitly recognizes Iran's important role in the region and was a normal part of maintaining a relationship between the two countries and their respective parliaments. In addition to his meeting with Al-Kharafi, Larijani also met with the Amir and Prime Minister Shaykh Nasser Al Sabah. Press accounts reported following the meeting that the two sides focused their discussion on economic issues and the potential for boosting commercial ties.
- 12. (C) Speaker Larijani's meetings in come on the heels of "chatter" regarding two long standing Kuwaiti-Iranian bilateral economic issues: Kuwait's need to import natural gas from its neighbors and the disposition of the offshore Dora field, shared between Kuwait, Saudi Arabia, and Iran. The Iranian press has played up Kuwait's interest in purchasing Iranian gas, and Kuwait's FM raised the "settlement of the continental shelf" as a "thorn in Kuwaiti-Iranian relations" in an interview with a leading Arabic language daily, Al-Qabas (ref A). The fact that Larijani was invited by parliament, but met with the Amir triggered speculation from some diplomatic observers that he "was carrying a message."
- 13. (C) Comment: For wealthy but weak Kuwait, commerce equals politics. Kuwait and Iran have engaged in longstanding if not necessarily fruitful talks on issues related to natural gas. In December, Kuwait Petroleum Corporation CEO Saad Al-Shuwaib told Deputy Secretary of Energy Poneman that Kuwait had had discussions with Iran, Iraq, and Qatar over the years about the possibility of importing pipeline gas, but that nothing had come of these. (ref B). His comments reflected the general frustration that other Kuwaiti officials have expressed about the difficulties of concluding a hydrocarbon agreement with Iran. According to the CEO of the private sector company Kuwait Energy, the Dora field is considerably larger (at about 10 trillion cubic feet of gas)

than originally estimated. Given Kuwait's need for natural gas for power generation, it is clear that this is a subject the GoK would like to resolve.

- 14. (C) Comment Continued: On the political level, Iran may be interested in reaching out to Kuwait, particularly in its role as GCC chair, to lobby for support in staving off sanctions -- an effort perhaps reflected in comments made January 17 by FM Dr. Mohammed to the effect that imposing sanctions on Iran increases tension and concern (ref A). Kuwait, for its part, cannot afford to provoke its large neighbor, even as it uses these visits to convey -- however nuanced -- GCC concerns over Iranian activities and its nuclear program.
- nuclear program.

 15. (U) Embassy is seeking a read-out of the Larijani visit from MFA and from officials on the commercial side and will report this septel.